



CALIFORNIA HOUSING FINANCE AGENCY

CalHFA Conventional Loan Program

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Program Summary

The CalHFA Conventional program is a Fannie Mae HFA Preferred™ fully amortized thirty (30) year fixed interest rate first mortgage. This loan is combined with either the California Homebuyer Downpayment Assistance Program (CHDAP) or the Extra Credit Teacher Program (ECTP).

The CalPLUS loan is not subject to Recapture Tax.

Eligibility

Borrower Requirements

- Each borrower must be a U.S. citizen, [permanent resident alien or qualified alien](#)
- All borrowers must meet the credit, income and loan requirements detailed in this program handbook, as well as CalHFA's Lender Manual, Fannie Mae, the lender, the mortgage insurer and CalHFA's master servicer's requirements

Eligible Homebuyers

This program is available for both first-time and non-first time homebuyers.

Homebuyer Education

Homebuyer Education is required for one occupying first-time homebuyer. Homebuyer Education is not required for non-first-time homebuyer(s).

- Online Homebuyer Education through [eHome™](#)
- Face-to-Face Homebuyer Education through [NeighborWorks America](#) or through one of the [HUD approved Housing Counseling Agencies](#)

Current Homeownership Requirement

At the time of loan closing, no borrower may have an ownership interest in any residential dwelling per Fannie Mae Guidelines

(a manufactured home, regardless of the type of property ownership, is considered a residential dwelling for this purpose).

Owner Occupancy

- All borrowers must occupy the property as their primary residence within sixty (60) days of closing
- Non-occupant co-borrowers are not allowed
- Non-occupant co-signers are not allowed

Property Requirements

- Sales price of the home cannot exceed [CalHFA's sales price limits](#) established for the county in which the property is located.
- Property must be a single-family, one-unit residence, including condominium/PUDs which are Fannie Mae eligible and not on U.S. Bank's ineligible list.
 - › Condominiums must have LTVs of 95.00% or below

Additional Property Guidelines

- Guest houses, "granny" units, and "in-law" quarters are eligible
 - › Must be zoned for Single Family Occupancy

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Eligibility (cont.)

- › Cannot be zoned for 2-4 units
- › Must meet investor guide-lines and city/county zoning ordinances
- › May not be income-producing; shall be for personal use only
- Manufactured housing is not permitted
- Leaseholds/Land Trusts and Co-ops are not permitted
- Non-permitted additions/alterations must follow Fannie Mae guidelines
- Lot size cannot exceed five (5) acres maximum
- Properties must meet the requirements of Fannie Mae and the California Health and Safety Code
- Defects and/or repair conditions identified by the appraiser on the appraisal report must be corrected prior to purchase by CalHFA's master servicer
 - › All units must be complete with respect to construction or repairs and ready to occupy
 - › Escrow Holdbacks must be released prior to purchase

- Property Flipping
 - › Follow the Fannie Mae MyCommunityMortgage® (MCM®) first-mortgage underwriting guidelines

CalHFA requires a copy of all appraisals as required by Fannie Mae.

When multiple appraisals are required, CalHFA will base the subordinate loan amount(s) on the lesser of the sales price or lowest appraised value.

Lender Eligibility Requirements

To be eligible for this program lenders must be approved by:

- CalHFA
- Fannie Mae
- U.S. Bank, CalHFA's master servicer
To seek U.S. Bank approval, contact the Lender Management Group at Lender.management@usbank.com
- Genworth Mortgage Insurance
To seek a Genworth Master Policy, you may [apply online](#)

Underwriting & Compliance

Transaction type

Purchase transactions only

Term

Up to 30 years

LTV and CLTV

Loan-to-Value (LTV) cannot exceed 97.00%

Combined Loan-to-Value (CLTV) cannot exceed 105.00%

Additional subordinate loan(s) and grants may also be eligible to be layered with the CalHFA Conventional loan.

Maximum Loan Amount

The maximum first mortgage loan amount cannot exceed \$417,000.

[Maximum Loan Amount Worksheet](#)

Maximum Sales Price Limits

The Sales Price of the home cannot exceed CalHFA [Sales Price Limits](#) for the county in which the property is located.

Income & Sales Price Limits

The following reference materials disclose income and sales price limits by county:

1. [Income Limits](#)
2. [Sales Price Limits](#)

Income Requirements

Lenders are required to calculate income to qualify borrower(s) for loan approval using Fannie Mae guidelines; in addition, CalHFA will review the borrower's income pursuant to program compliance.

QUALIFYING INCOME VS. PROGRAM COMPLIANCE INCOME

Qualifying income is the income used by the lender to determine that the borrowers have the ability to meet their monthly obligation. Lender will continue to adhere to the guidelines of their internal underwriting guidelines, mortgage insurer, master servicer and this program handbook. This income may differ from the income used by CalHFA for program compliance purposes. All sources of income must be used to determine program compliance income limits.

MAXIMUM PROGRAM COMPLIANCE INCOME LIMITS

The income of all borrowers cannot exceed the published [CalHFA income limits](#) detailed in this program handbook established for the county in which the property is located.

When multiple CalHFA loan programs are used in combination, the most restrictive income limits will apply.

CalHFA will calculate family income for Conventional loan eligibility. "Family income" is defined as the annualized gross income of a mortgagor, and any other person who is expected to:

1. be liable on the mortgage
2. be vested on title; and
3. live in the residence being financed

Due to federal regulations, CalHFA is required to compile all information regarding borrower's income.

Underwriting & Compliance (cont.)

Family income includes:

Gross pay	Pensions
Overtime	Veterans
Bonuses	Administration (VA) compensation
Commissions	Gross rental or leased income
Part-time employment	Deferred income
Dividends	Welfare payments
Interest	Social security benefits
Annuities	Disability payments
Child support payments	Alimony
Human assistance/services	Sick pay
Income received from Trust or Business & Investments from all sources (both taxable and non-taxable) including but not limited to earnings	Unemployment compensation
	Any regularly occurring additional income

Family income excludes:

Gifts – casual, sporadic or irregular

Lump sum additions to household assets, such as inheritances, insurance settlement, capital gains, student financial assistance, settlements for personal or property losses

Education scholarships paid directly to the student

Foster child care payments, adoption assistance payments if not used to credit qualify for the loan

Income from employment of minor dependents not on title

Food stamps

Verification of employment and other supporting documentation regarding income such as paycheck stubs should be no more than sixty (60) days old at the time of submission to the Agency for loan approval.

For more detailed information see [Lender Program Manual](#)

Qualifying Ratios

The maximum total Debt-to-Income (DTI) ratio cannot exceed 45.00% regardless of automated underwriting decision or compensating factors.

Minimum Credit Score

LTV	Min. Credit Score
95.01 - 97.00%	680
≤ 95.00%	640

- When all borrowers have a credit score, they must all meet the minimum representative credit score requirement
- The middle score of the lowest-scoring borrower should be used to determine eligibility

Automated Underwriting

Acceptable Automated Underwriting Systems (AUS):

- Fannie Mae Desktop Underwriter (DU®) with an Approve/Eligible recommendation
 - › HFA Preferred must be selected in the Community Lender Product Field
 - » CalHFA subordinate loans must be entered as Community Seconds

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Underwriting & Compliance (cont.)

- › Freddie Mac Loan Prospector (LP®) and other customized automated underwriting systems are not permitted
- Manual Underwriting is not permitted

Sales Concessions/Contributions

Concessions/contributions as per Fannie Mae guidelines except for the following:

- Payment of condominium fees
- Personal property
- Down payment assistance

Miscellaneous Underwriting

- All CalHFA Conventional loans with LTVs of 95.01% - 97.00% must be submitted to U.S. Bank for Underwriting unless the lender is Fannie Mae 97 approved by U.S. Bank
 - › U.S. Bank will rep and warrant that the loan is compliant with all applicable underwriting guidelines
 - » The lender is responsible for rep and warranting in the event of fraud or misrepresentation
 - › The CalHFA-approved lender will have no repurchase or early payoff/default indemnification responsibilities for any error resulting from the actual underwriting of the loan
- Credit Underwriting is also the responsibility of the originating lender
- All loans are subject to audit by both CalHFA and master servicer

- 2-1 or 1-1 temporary buydowns are not permitted
- Borrower may not have an ownership interest in any other residential dwelling at the time of loan closing
 - › A manufactured home, regardless of the type of property ownership is considered a residential dwelling for this purpose
 - › An ownership interest in a timeshare is acceptable

In the case of conflicting guidelines, lender must follow the more restrictive to meet the credit, income limits, total debt-to-income ratio and loan and property requirements of CalHFA, Fannie Mae, mortgage insurer, lender or master servicer.

Mortgage Insurance

LTV	How Ordered	M.I. Company
95.01% - 97.00%	By U.S. Bank at time of approval*	Genworth
≤ 95.00%	By lender before submission to CalHFA	Genworth

*unless lender is Fannie Mae 97 approved by U.S. Bank, then ordered by lender

Mortgage Insurance Coverage

- Either borrower paid monthly or single premium mortgage insurance is acceptable
 - › Financed mortgage insurance premium must be included in the LTV and CLTV
 - › If the financed mortgage insurance premium puts the LTV over 95.01% the loan must be submitted to U.S. Bank for credit underwriting.

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Underwriting & Compliance (cont.)

LTV	Coverage
95.01-97% LTV	18%
90.01-95% LTV	16%
85.01-90% LTV	12%
80.01-85% LTV	6%

Genworth Mortgage Insurance Rates

For information regarding Genworth Mortgage Insurance's current Housing Finance Agency MI rates, please see [rate card](#) or [Rate Express](#) on the Genworth Mortgage Insurance website.

Subordinate Financing

CalHFA Subordinate Financing

This program may be layered with the following down payment and/or closing cost assistance options for first-time homebuyers only:

- California Homebuyer's Downpayment Assistance Program (CHDAP)
 - › May be used for closing cost and/or down payment assistance
 - › In the case of conflicting guidelines, the lender must follow the more restrictive
 - › For full CHDAP underwriting guidelines and details see the [CHDAP Program Handbook](#)
- Extra Credit Teacher Program (ECTP)
 - › May be used for down payment assistance
 - › In the case of conflicting guidelines, the lender must follow the more restrictive
 - › For full ECTP underwriting guidelines and details see the [ECTP Program Handbook](#)

CHDAP and ECTP may not be combined.

Non-CalHFA Subordinate

This program may be layered with a Fannie Mae approved Community Seconds program used for closing costs and/or down payment assistance per individual requirements.

- The locality subordinate loan must meet Fannie Mae Community Seconds guidelines
- The maximum CLTV must meet CalHFA requirements
- In the case of conflicting guidelines, the lender must follow the more restrictive

Other Programs and Assistance

This program may be layered with CalHFA Mortgage Credit Certificate Tax Credit Program (MCC Tax Credit Program) or other Mortgage Credit Certificate (MCC) programs for first-time homebuyers only

- The MCC credit may be used for credit qualifying purposes as per investor guidelines
- In the case of conflicting guidelines, the lender must follow the more restrictive
- For full CalHFA MCC Tax Credit Program underwriting guidelines and details see [MCC Tax Credit Program Handbook](#), or log onto the MCC Administrator's web site at www.ehousingplus.com

CalHFA Loan Process (Submission, Approval & Purchase)

All loans must be rate locked prior to submission to U.S. Bank for Credit Underwriting

- For loans with an LTV 95.01% - 97.00%
 - › Lender must submit a complete loan file to U.S. Bank for Credit Approval and Mortgage Insurance Approval
 - » Lenders who are approved by U.S. Bank as delegated to underwrite the Fannie Mae HFA Preferred 97% do not need to submit the loan to U.S. Bank, but may underwrite the loan and order the mortgage insurance certificate directly from Genworth Mortgage Insurance
 - › Lender simultaneously submits Compliance Package to CalHFA
- For loans with an LTV of $\leq 95.00\%$
 - › Lender must submit a fully underwritten, lender approved loan package including a Genworth Mortgage Insurance Certificate to CalHFA for program policy and compliance review.

Both U.S. Bank and CalHFA will review loan files on a first-come, first-served basis. CalHFA reviewers will notify lenders of each conditional loan approval, suspension and/or rejection by fax. If the package is incomplete, the process will be delayed and the file will be suspended until all items are complete and accurate.

Upon receipt of the Conditional Approval, the lender is authorized to close and fund the loan(s). After funding, the lender will then ship a closed first mortgage purchase package to CalHFA's master servicer and any CalHFA subordinate loan (i.e. ZIP, ECTP or CHDAP) purchase package(s) to CalHFA for purchase.

Lenders must submit applicable ZIP, ECTP and CHDAP purchase packages to CalHFA at the same time the first mortgage is submitted to the master servicer to ensure that the purchase of all loans meet the rate lock expiration.

Single Family Lending Loan Process: Conventional

Step 1

- ▲ A. Lender reserves loan(s) in LAS System
- ▲ B. Lender underwrites file
- ▲ C-1. If LTV 95.01 – 97.00% lender submits file to U.S. Bank for credit underwriting and Mortgage Insurance Approval (if lender is not delegated by U.S. Bank)
- ▲ C-2. If LTV ≤ 95.00% or Lender is U.S. Bank delegated, lender to order Mortgage Insurance Certificate through Genworth Mortgage Insurance
- ▲ D. Lender submits file to CalHFA for conditional approval
- ◆ E. CalHFA conducts a pre file log in review.
- ▲ F. If key items are missing, file is not put in line for review until all suspended items are received from lender

Step 2

- ◆ A. File is put in line for compliance review
- ◆ B. CalHFA reviews file for compliance
- ▲ C. If file is suspended by CalHFA, lender submits all suspended items

Step 3

- ◆ A. CalHFA issues conditional approval
- ▲ B. Lender draws docs
- ▲ C. Lender funds
- ▲ D. Lender submits 1st mortgage purchase package to US Bank AND subordinate loan package(s) to CalHFA within 10 business days

Step 4

- A. US Bank reviews purchase package on 1st mortgage AND CalHFA reviews subordinate loan packages
- ▲ B. If file is suspended by CalHFA and/or US Bank, lender submits all suspended items
- C. CalHFA and/or US Bank purchases loan



Fees

Adverse Market Delivery Charge (AMDC)

- AMDC: 0.250%

Loan Level Price Adjustment (LLPA)

- There are no LLPAs when using HFA Preferred™

Servicing Release Premium (SRP)

- Lenders will earn a 1.00% Service Release Premium to release servicing to master servicer at time of purchase
- Master servicer will purchase loans directly from lender on a daily basis

Lender Allowable Fees (Origination & Processing)

- Customary lender origination fees not to exceed the greater of 3% of the loan amount or \$3,000
- Other customary third party fees such as credit report fee, appraisal fee, insurance fee or similar settlement or financing cost

- In all cases the lender must meet federal and California lending laws regarding fees and charges

Master Servicer Fees

- The master servicer funding fee is \$300 per loan
- Tax Service fee to master servicer is \$85 per loan
- Funding fees paid by the borrower or seller must be disclosed and documented on the final HUD-1 Settlement Statement
- Other customary master servicer fees may apply
- Lenders should refer to their legal/compliance department on how to disclose fees

Reservation & Rate Lock

Interest rates are available on the CalHFA [Interest Rate page](#). Interest rates are subject to change at any time without notice.

Reservation and Rate Lock

- A sales contract must be executed prior to reservation
- Lenders must reserve loans including CHDAP or ECTP using CalHFA Mortgage Access System (MAS) prior to loan submission
- At the time of reservation the lender will have the option to float or lock the interest rate

- › Reservations with a floating rate will be accepted from 6:00 a.m. to 11:59 p.m. Pacific Time, seven days a week
 - » Lender reserves loan for ninety (90) days on existing/resale properties or one hundred twenty (120) days on new construction properties
- › Reservations which include a rate lock will be accepted from 8:00 a.m. to 3:00 p.m. Pacific Time, Monday through Friday, excluding state-recognized

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Reservation & Rate Lock (cont.)

holidays, and days that the U.S. financial markets are closed for business.

- » Rate lock period will be sixty (60) days (45 days to fund/15 days to purchase) for both existing/resale properties and new construction properties
- The rate lock expiration date supersedes the reservation expiration date on both the first mortgage and all CalHFA subordinate loans
- Reservation and rate lock period will run without interruption
- All CalHFA subordinate loan(s) will receive the same reservation, lock and purchase periods as the first mortgage

Rate Lock Requests made after Reservation (Float option only):

- Rate lock requests will be accepted between the hours of 8:00 a.m. and 3:00 p.m. Pacific Time, Monday thru Friday, excluding state-recognized holidays and U.S. financial market closures
- Lender may lock the interest rate at any time during the reservation period
- Rate will be locked for sixty (60) days (45 days to fund/15 days to purchase) for both resale properties and new construction properties
- Lender must complete the [Rate Lock Request form](#) on the CalHFA web site when ready to lock the rate. Fax or telephone rate lock requests will not be accepted

- When requesting a rate lock, the request must be at the same or lower interest rate than the rate at which the previously submitted file was underwritten or rate lock will not be accepted
- For loan files with a higher requested locked rate than the initial file submission, the lender must re-submit all updated loan documents at the higher rate including Approved/Eligible DU® findings Transmittal Summary (1008) and final underwriting approval for CalHFA's consideration and rate lock

Delivery Timeframes, Re-Reservations and Extensions:

- The first mortgage loan must be funded, delivered and purchased by the master servicer prior to the rate lock expiration
 - » All CalHFA subordinate loans must be funded, delivered and purchased by CalHFA concurrently with the first mortgage
- All rate lock extensions must be requested from CalHFA's Secondary Marketing Unit in writing prior to the rate lock expiration date
 - » If the rate lock has expired or is cancelled, lender may not re-lock until sixty (60) days after previous expiration date
 - » Rate lock extensions:
 - » 30 days 0.375 bps
 - » Only one (1) rate lock extension will be granted per rate lock

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Reservation & Rate Lock (cont.)

- › This fee is to be net funded from the lender's proceeds at time of purchase
- › This fee may be charged to the borrower(s) or seller(s). Refer to your compliance department for how to disclose this fee
- Lender should factor in its own processing/underwriting time frames, as well as CalHFA compliance and conditional approval review, and master servicer review for purchase time frames when locking interest rates and submitting loan files

Basic Home Protection Coverage

Mandatory Home Warranty Insurance Coverage

- CalHFA requires that all first-time homebuyer(s) obtain a one-year home warranty protection policy
 - › Non-first-time homebuyers are not required to obtain a home warranty protection
- The insurance must cover the following items at a minimum:
 - › Water Heater(s)
 - › Air Conditioning
 - › Heating
 - › Refrigerator
 - › Oven/Stove/Range
- Home Warranty to be paid through close of escrow
- Home Warranty must be disclosed on Final HUD-1 or copy of insurance declaration page will be required

Pre-Closing Loan Submission

Loan Submission Process

A lender makes reservations through CalHFA's Mortgage Access System (MAS). Only one loan package is required when submitting a loan with multiple sources of CalHFA financing. Refer to the [Loan Submission Checklist](#) for minimum documentation requirements.

All closed first mortgages must meet Fannie Mae standards.

All CalHFA Conventional loans with a LTV of 95.01% – 97.00%* must be submitted to U.S. Bank for credit underwriting and Mortgage Insurance approval. Lender

simultaneously submits the Compliance Package to CalHFA at time of submission to U.S. Bank.

U.S. Bank Home Mortgage

Attention: Underwriting Department
17500 Rockside Road
Bedford, OH 44146
Mail Code: CN-OH-R2F2

* Exception: Lenders who are approved by U.S. Bank as delegated to underwrite the Fannie Mae Preferred 97% will submit loan directly to CalHFA including the Genworth Mortgage Insurance Certificate.

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Pre-Closing Loan Submission (cont.)

All CalHFA Conventional loans with a LTV ≤ 95.00% must be fully underwritten by the lender including the Genworth Mortgage Insurance Certificate prior to being submitted to CalHFA for automated underwriting validation and program compliance review.

CalHFA

Single Family Lending – MS 300
500 Capitol Mall, Suite 400
Sacramento, CA 95814
877.922.5432

After validation review, CalHFA will issue a Conditional Approval, Loan Suspension, or a Denial. Once the loan is conditionally approved, the loan may be funded, closed

and delivered for purchase. All closed first mortgages must meet Fannie Mae standards.

Checklist

Use the [Loan Submission Checklist](#) to ensure you are submitting a complete and accurate package.

Forms

The following forms will be needed when submitting a CalHFA Conventional loan to CalHFA:

1. [CalHFA Borrower Affidavit](#)
2. [Tax Return Affidavit](#)

Post-Closing Loan Delivery & Purchase

Purchase Procedures

Ship all closed first mortgage loan package(s) within ten (10) business days after loan closing to the master servicer

- All files received for purchase are time and date stamped
- If the loan file has exceptions, the master servicer will communicate via phone/fax
 - › Loan exception recap report will be sent out weekly
- All loans must be program approved and exception free before they can be purchased

All CalHFA First Loans:

- Notes are to be endorsed to U.S. Bank National Association
- Deed of Trust to be assigned to U.S. Bank National Association

- › Loans may be registered via Mortgage Electronic Registration Systems (MERS) in lieu of Assignment of Mortgage Deed of Trust

- Loss Payee Clause:

U.S. Bank National Association

Its successors and/or assigns as their interest may appear.
c/o U.S. Bank Home Mortgage
P.O. Box 7298
Springfield, OH 45501-7298

- Send CalHFA Conventional closed loan files and documents to:

US Bank MRBP

17500 Rockside Road
Bedford, OH 44146
Attn: Operations Department
lender.management@usbank.com

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Post-Closing Loan Delivery & Purchase (cont.)

All CalHFA Subordinate Loan(s):

- All CalHFA subordinate loans must be funded, delivered and purchased by CalHFA concurrently with the first mortgage
- Subordinate loan documents are to be drawn in CalHFA's name
- Loss Payee Clause:

California Housing Finance Agency

Its successor and/or assigns
1040 Riverside Parkway, Suite 110
West Sacramento, CA 95605

- Send ECTP and CHDAP (if applicable) closed loan files and documents to:

CalHFA

Single Family Lending – MS 300
500 Capitol Mall, Suite 400
Sacramento, CA 95814
877.922.5432

CalHFA MCC Tax Credit Closing Package(s):

- All final Closing Packages for the MCC application and documents should be submitted to the MCC Program Administrator at:

eHousingPlus

3050 Universal Boulevard
Suite 190
Weston, FL 33331
954.217.0817

Checklists

Use the [Loan Purchase Checklist](#) to ensure you are submitting a complete and accurate package.

Lender must use the following forms:

1. [CalHFA Borrower Affidavit](#)
2. [Tax Return Affidavit](#)

Frequently Asked Questions

What is the CalHFA Conventional Loan Program?

The CalHFA Conventional program is a CalHFA fully amortized thirty (30)-year fixed interest rate first mortgage.

Who can originate CalHFA Conventional?

To be eligible for this program lenders must be approved by:

- CalHFA
- Fannie Mae
- U.S. Bank, CalHFA's master servicer
To seek U.S. Bank approval, contact the Lender Management Group at Lender.management@usbank.com
- Genworth Mortgage Insurance
To seek a Genworth Master Policy, you may [apply online](#)

My borrower(s) wants to sell their current primary residence, are they eligible for the CalHFA Conventional?

Yes, at the time of loan closing, the borrower may not have an ownership interest in any residential dwelling. Evidence must be provided to document that the other property(ies) has been disposed.

My borrower(s) owns a rental property; can they keep the property and still be eligible for the CalHFA Conventional?

No, at the time of loan closing, the borrower may not have an ownership interest in any residential dwelling.

My borrower is not a first-time homebuyer, how many years' tax returns do I need to submit for the CalHFA Conventional?

One (1) year tax return is required for a non-first-time homebuyer.

Do I need to make a reservation in the Mortgage Access System (MAS) before submitting a loan file to CalHFA?

Yes. The CalHFA-approved lender must make a reservation in our MAS prior to loan submission.

Does CalHFA Conventional allow additional subordinate financing?

Yes. The California Homebuyer's Downpayment Assistance Program (CHDAP) or Extra Credit Teacher Program (ECTP) and Community Second subordinate loan programs may be layered with CalHFA Conventional. When CalHFA subordinate financing is used, different income limits may apply. In the case of conflicting guidelines, the more restrictive will apply.

What areas of California are eligible for CalHFA Conventional?

CalHFA is a state-wide program. Properties located anywhere within the State of California may be eligible for the program.

Are there sales price limits on CalHFA Conventional?

Yes. The sales price of the property must be within CalHFA's published [sales price limits](#). These sales price limits can be found on the CalHFA website.

What is the maximum loan amount for CalHFA Conventional?

The maximum total loan amount cannot exceed \$417,000.

Are condominiums eligible for CalHFA Conventional?

Yes. Condominiums must have LTVs of 95.00% or below.

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FAQ's (cont.)

Is a manufactured home eligible for CalHFA Conventional?

No. CalHFA Conventional loan program does not permit manufactured housing

What automated underwriting engines do you allow for CalHFA Conventional?

CalHFA will only accept the most recent version of Fannie Mae's Desktop Underwriter® (DU®) with the HFA Preferred™ option.

What are the minimum credit score requirements for CalHFA Conventional?

LTV	Min. Credit Score
95.01 - 97.00%	680
≤ 95.00%	640

Does CalHFA use the lowest credit score to determine the minimum representative credit score for CalHFA Conventional?

No. The middle score of the lowest scoring borrower is used to determine eligibility.

My borrower only has one credit score. Is that okay for CalHFA Conventional?

No, credit data from a minimum of two (2) repositories, three (3) preferred. Representative Credit Score is the lowest score (middle of three (3), lower of two (2)) of all borrowers.

Do all of my borrowers need to meet the minimum FICO score requirement for CalHFA Conventional?

A minimum representative credit score of 640 is required for all borrowers who have a credit score. When the borrower's spouse has no credit score they may be eligible if they obtain Approve/Eligible findings.

Can I use a Non-Traditional credit report for CalHFA Conventional?

Yes. Non-traditional credit reports may be eligible for CalHFA Conventional as per Fannie Mae and the mortgage insurer's guidelines as long as the credit report has been scored and meets the minimum representative credit score.

Is manual underwriting permitted for CalHFA Conventional?

No. Manual underwriting is not permitted.

What is the maximum age of credit documents for CalHFA Conventional?

CalHFA will follow Fannie Mae guidelines for the age of the credit documents; however, all income documents must be sixty (60) days old or less at the time of submission to CalHFA.

What is the maximum LTV/CLTV for CalHFA Conventional?

The maximum LTV is 97.00%. The maximum CLTV is 105%.

Does the borrower have to have a cash down payment for the CalHFA Conventional?

No, CalHFA does not require a minimum borrower investment from the borrower. Please follow Fannie Mae MyCommunityMortgage® (MCM®) and your mortgage insurer's guidelines.

What fees and related charges are allowed for CalHFA Conventional?

CalHFA allows:

- Customary lender origination fees not to exceed the greater of 3% of the loan amount or \$3,000

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FAQ's (cont.)

- Other customary third-party fees such as the credit report fee, appraisal fee, insurance fee or similar settlement or financing cost.
- \$300 funding fee (payable to CalHFA's master servicer)
- \$85 tax Service Fee (payable to CalHFA's master servicer)
- In all cases the lender must meet federal and California lending laws regarding fees and charges.

Does CalHFA Conventional require the borrower to be a first-time homebuyer?

No. This program is open to both first-time and non-first-time homebuyers.

Does the Federal Recapture Tax apply to CalHFA Conventional?

No. Federal Recapture Tax does not apply to this program.

Is homebuyer education required for CalHFA Conventional?

Homebuyer Education is required for one occupying first-time homebuyer. Homebuyer Education is not required for non-first-time homebuyer(s).

- Online Homebuyer Education through [eHome™](#)
- Face-to-Face Homebuyer Education through [NeighborWorks America](#) or through one of the [HUD approved Housing Counseling Agencies](#)

Is a temporary buydown available for CalHFA Conventional?

No, temporary buydowns are not permitted on CalHFA Conventional.

Will co-signers be allowed for CalHFA Conventional?

No, non-occupant co-signers are not permitted.

Will non-occupying co-borrowers be allowed for CalHFA Conventional?

No. Non-occupying co-borrowers are not permitted.

Is there a re-lock fee for the CalHFA Conventional?

There is no re-lock fee. If the rate lock expires or the loan is cancelled, it can only be re-reserved and locked after a sixty (60) day waiting period, subject to guidelines in effect at that time.

I had to cancel a CalHFA Conventional reservation after Conditional Approval. The sixty (60) days has now passed and I have re-reserved the loan. Do I need to submit a new file to CalHFA?

Yes. The lender must submit a new file to CalHFA with current documentation. Every file that has a new reservation number must have its own file and go through the approval process.

When will I be able to lock my interest rate for CalHFA Conventional?

CalHFA Conventional has two locking options. The rate can be locked at reservation or at any time during the reservation period if the float-to-lock option is chosen.

I have chosen the float option for CalHFA Conventional, and my loan has already been conditionally approved by CalHFA, but the rate has increased since approval. Do I need to have my loan re-underwritten?

Yes. CalHFA requires that the loan be approved by both the Lender and CalHFA at a rate that is equal to or higher than the requested interest rate at time of lock.

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FAQ's (cont.)

What is the rate lock period for the CalHFA Conventional?

The rate lock period will be for sixty (60) days.

I cannot close my loan in time. Can I get a rate lock extension?

All rate lock extensions must be requested through CalHFA's Secondary Marketing Unit in writing prior to the expiration of the current rate lock. Rate lock extension fees are posted on the [CalHFA Rate Sheet](#).

Can my borrower pay for the cost of the CalHFA Conventional rate lock extension?

Yes. The borrower(s) or seller(s) may be charged with the cost of the extension fee. At the time of purchase by CalHFA's master servicer, the rate lock extension fee(s) are to be net funded from the lender's proceeds.

What if the borrower changes properties? Can I cancel the existing reservation and re-reserve the CalHFA Conventional?

Reservations are borrower, property and lender specific. If the borrower changes properties, the existing reservation must be cancelled before a new reservation is made. The underwriting and program guidelines in effect at the time of the re-reservation will apply.

My borrower had a loan reservation with another lender, but now they want to go through me. Can I reserve the CalHFA Conventional?

If the rate was not locked on the other lender's reservation, the new lender may reserve the loan once the previous reservation is cancelled by the original lender. If the rate was locked by CalHFA, the new lender may reserve the loan after the sixty (60) day wait period from the original rate lock expiration.

Does the CalHFA Conventional need to be delivered to the master servicer by the rate expiration date?

No. The loan must be delivered and purchased by the master servicer prior to the rate lock expiration date. CalHFA suggests loan delivery by the 45th day of the rate lock so suspension items have time to clear by the rate lock expiration date.

How often does the master servicer purchase for CalHFA Conventional?

The master servicer will purchase approved loans on a daily basis.